

VZCZCXRO5590

PP RUEHAG RUEHAST RUEHBC RUEHBI RUEHCI RUEHDBU RUEHDE RUEHDF RUEHDIR  
RUEHIK RUEHKUK RUEHLH RUEHLN RUEHLZ RUEHNEH RUEHPW RUEHROV RUEHSK  
RUEHSL RUEHSR RUEHTRO RUEHVK RUEHYG  
DE RUEHAH #1225 2710723  
ZNR UUUUU ZZH  
P 280723Z SEP 09  
FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 3521  
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY  
RUCNCIS/CIS COLLECTIVE PRIORITY  
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY  
RUEHAK/AMEMBASSY ANKARA PRIORITY 5715  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 3430  
RUEHKO/AMEMBASSY TOKYO PRIORITY 3294  
RUEHBS/USEU BRUSSELS PRIORITY  
RHMCSUU/CDR USCENCOM MACDILL AFB FL PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY  
RUCNIRA/IRAN COLLECTIVE  
RUEHIT/AMCONSUL ISTANBUL 3958

UNCLAS ASHGABAT 001225

SENSITIVE

SIPDIS

STATE FOR SCA/CEN, INL/AEE

E.O. 12958: N/A

TAGS: [PGOV](#) [KCRM](#) [SOCI](#) [TX](#)

SUBJECT: COUNTERFEIT TURKMEN CURRENCY DISCOVERED

11. (U) Sensitive but unclassified. Not for public Internet.

12. (U) SUMMARY: Quantities of counterfeit Turkmen currency, the "manat," reportedly have been printed in the past few months and are circulating in the country. Warnings were distributed in government agencies to check the genuineness of local currency that is received in all financial transactions. Lately, a recent university graduate in computer science from Mary was arrested for counterfeiting. Local law enforcement agents admit the presence of counterfeit bills, however it is unclear whether or not all the fake bills have been detected and completely withdrawn from circulation. END SUMMARY.

13. (U) The Turkmen manat was redenominated in January, accompanied by the issuance of new banknotes and coins. In the past few months, counterfeit manat bills reportedly have been printed and circulated in the country. Although this information has not been announced in the local press, several sources have reported to Embassy staff that government offices have been told to take precautions when receiving currency. Several Embassy staff have recently noticed that all manats handled in transactions at exchange points and banks are being checked with ultraviolet lamps, a practice that has not been seen previously. Cashiers at state-owned commercial enterprises, such as the national airline and railroad, that receive large amounts of cash on a regular basis from ticket sales, have also been seen checking every single bill. Similarly, cashiers at the largest shopping center in Ashgabat, the Turkish-owned "Yimpas," have also been observed checking the currency that they receive.

14. (SBU) According to a law enforcement contact from Mary, a Turkmen-Turkish University graduate in computer science was recently arrested for producing counterfeit manats in a lab that he operated in his home in Turkmengala village in Mary. Police reportedly seized

fake 20 manat notes with a face value of 40,000 manats (approximately USD 14,000). The arrested individual claimed that he had used only 30 of the notes (with total face value of 600 manats) at local markets, but some Mary residents say that more of the notes have been found in circulation.

¶5. (SBU) A police captain in Ashgabat confirmed that counterfeit manats have been produced and spread throughout the capital and provinces. He could not, however, specify the quantity of such notes or their total face value. Contacted by phone, he said "I don't deny that the production and distribution of fake manats has occurred. A number have been discovered in the past months."

¶6. (SBU) COMMENT: Before the manat was re-denominated on January 1, the highest value banknote in circulation was 10,000 "old manat," worth about 70 U.S. cents and not worth the effort to make fakes. The new banknotes, with their significantly higher values, offer the needed incentive for counterfeiters. Turkmenistan has a cash economy, and such counterfeit bills could easily be circulated through local bazaars (where the majority of the vendors tend to be elderly women), as well as through unofficial money changers found everywhere in the country. The government will need to act fast to stop the counterfeiters if it is going to maintain public confidence in the manat. END COMMENT.

CURRAN